



Nelson looking for new way to funnel money to state's high-speed rail

By Vicki Needham - 02/16/11 04:00 PM ET

Sen. Bill Nelson (D-Fla.) said he will search for other avenues to fund a Tampa-Orlando high-speed rail project without the state's participation after the governor on Wednesday rejected federal funding.

Nelson said he has talked to Transportation Secretary Ray LaHood about Gov. Rick Scott's refusal to accept \$2.4 billion in federal funds for the proposed project, calling the decision "egregious."

"There's a lot at stake for the future of our state not the least of which is the 24,000 jobs it [would] create over [the] next five years," Nelson told reporters on a conference call. "We are exploring how we could keep this project going forward since the state of Florida will not participate."

Nelson said he wasn't sure how they could funnel funding to the project, but there were ongoing talks with lawyers. If Nelson can't find a way to recoup the funding, it will likely go to another state.

Scott made the announcement this morning during a press conference where he expressed strong opposition to President Obama's fiscal 2012 budget, which was released Monday and includes \$8 billion for high-speed rail across the country this year.

"You don't have to be an economics expert to know when you spend more money than you take in, you will fail," Scott said.

The battle isn't likely to be the last on the high-speed rail front, with many lawmakers questioning its regional focus and overall usefulness.

Last week, the Obama administration announced a six-year \$53 billion plan for high-speed rail as part of a larger 25-year proposal to expand train service to 80 percent of Americans.

Tea Party activists have urged Scott to refuse the funding, despite support for the project from the state's Republicans, according to news reports.

The federal government has assumed 90 percent of the project's cost, which is why Nelson is urgently seeking an alternative route.

Nelson mentioned the state has a high-speed rail authority that has been constituted under Florida law that could possibly accept the federal funding on behalf of the project. He said it might also be possible for the cities of Tampa or Orlando to take on that role.

"I am deeply disappointed in the decision to not move forward with the Orlando to Tampa passenger rail project," House Transportation and Infrastructure Chairman John Mica (R-Fla.) said in a statement. "This is a huge setback for the state of Florida, our transportation, economic development and important tourism industry."

Mica said he has urged Scott to reconsider the possibility of allowing the private sector to assume the risk and any future costs for the project.

"I made this appeal to the governor this morning," Mica said. "With the federal government assuming 90 percent of the cost of the project, I am disappointed the private sector will not have an opportunity to even offer innovative proposals to help finance the balance of the costs and to construct and operate this system."

But LaHood said his department had already worked with state officials to ensure the state wasn't assuming any financial risk in the project.

"We worked with the governor to make sure we eliminated all financial risk for the state, instead requiring private businesses competing for the project to assume cost overruns and operating expenses," he said in a statement.

"This project could have supported thousands of good-paying jobs for Floridians and helped grow Florida businesses, all while alleviating congestion on Florida's highways. Nevertheless, there is overwhelming demand for high-speed rail in other states that are enthusiastic to receive Florida's funding and the economic benefits it can deliver, such as manufacturing and construction jobs, as well as private development along its corridors."

Scott should reconsider rail decision

By U.S. Sen. Bill Nelson, special to the Times
February 16, 2011

I am disappointed in the governor's decision Wednesday to reject \$2.4 billion in federal money for such a high-speed rail system - especially because he halted the train before it could even leave the station.

In 1956, President Dwight Eisenhower took on one of the biggest public works projects in American history when he signed the Federal-Aid Highway Act.

Eisenhower's plan was ambitious but visionary. Today it is impossible to imagine America without Eisenhower's interstate system. Tens of millions of us depend on highways to get to work and go about our daily lives.

I firmly believe high-speed rail could be the "interstate" of the 21st century. Further, Florida would see 24,000 new jobs and reap countless benefits from building the proposed bullet train between Orlando and Tampa, and then from Orlando to Miami.

Unfortunately, Gov. Rick Scott does not seem to share that same vision.

I am disappointed in the governor's decision Wednesday to reject \$2.4 billion in federal money for such a high-speed rail system - especially because he halted the train before it could even leave the station.

High-speed rail in Florida would be a major economic boost. It would help alleviate traffic on some of Florida's busiest highways. It would connect several of the state's biggest cities, and link many of the smaller communities in between.

In a statement released Wednesday explaining his decision, Scott cited cost as the overriding factor for turning down the money. He said Florida taxpayers would be forced to pay any cost overruns from the project.

High-speed rail is not cheap. That's a fact. All big projects worth investing in are not.

But what I told the governor when he called me Wednesday morning was that Floridians would not be on the hook for cost overruns or operating expenses associated with the train. Private companies who support the high-speed rail line have shown they are open to funding the state's share of the project.

There are other feasible solutions that would help alleviate Scott's worries. My staff and I are willing to work with the governor to come up with ways to help ease his concerns, because we strongly believe in this project.

The federal government has committed to giving the state 90 percent of the project, or about \$2.4 billion. All Florida was to put up as matching money was 10 percent, or about \$280 million.

Within hours of the governor announcing his decision to refuse the \$2.4 billion - and the 24,000 jobs the project would have brought - the *Wall Street Journal* reported that New York's two U.S. senators would seek the rail money rejected by Florida.

More specifically, the *Journal* said, Sen. Kirsten Gillibrand already wrote U.S. Transportation Secretary Ray LaHood to ask him to redirect the money passed up by Scott to New York's Empire and Northeast Corridors. And Sen. Charles Schumer reportedly added that high-speed rail is a top priority for upstate New York and that the administration should redirect these funds to New York as quickly as possible.

Scott, in canceling plans for a high-speed train line between Orlando and Tampa and eventually Orlando and Miami, referred to it as "ObamaRail."

I urge the governor to set aside the partisan rhetoric and reconsider his decision - before it's too late.

Bill Nelson is Florida's senior U.S. senator